

PROSPECTUS

Sachri Logging Unit
COEUR D'ALENE INDIAN RESERVATION

THIS TIMBER IS NOT SUBJECT TO EXPORT RESTRICTIONS OR SUBSTITUTION LAWS

INTRODUCTION

The Coeur d'Alene Tribe offers for sale by sealed bid, in accordance with 25 CFR 163, an estimated 552 thousand board feet (MBF) of sawtimber and 218 tons of tonwood, on the Sachri Logging Unit. Bids will be opened at the Coeur d'Alene Tribal Forestry Office, Plummer, Idaho 83851, on August 18, 2011. No bids will be accepted after 1:00 pm local time, except as allowable by TERO Ordinance and CDA Resolutions 346(2003) and 279 (2004). Only bids from entities that have a current Coeur d'Alene Tribal Business license will be accepted.

This prospectus is furnished to acquaint you with some of the requirements and features of this sale unit. If its wording or meaning disagrees with the contract, the contract is final and binding. We urge you to discuss complete contractual obligations with the forestry staff at the Coeur d'Alene Tribal Forestry Department in Plummer, Idaho. Arrangements may be made there for examination of the sale unit. No guarantee is made of the forest products volume or quality mentioned herein. You are urged to make your own independent estimates to determine your bidding decisions. Each bidder must be prepared to assume full responsibility for the success of the operation under contract terms at the price bid.

BIDDING PROCEDURES

Acceptable bids must be submitted in duplicate, on forms provided, in a sealed envelope marked outside "Proposal for Timber, Sachri Logging Unit", and sent to the Acting Superintendent, Coeur d'Alene Agency, Post Office Box 287, Plummer, Idaho 83851 or hand delivered to the Coeur d'Alene Tribal Forestry Building, 215 Agency Road, Plummer, ID 83851. Each bid must state the price per net thousand board feet (MBF), Scribner Decimal C log scale that will be paid for sawlogs cut and scaled. Minimum bid prices for the Sachri Logging Unit are:

Ponderosa Pine (6 to 7 inch) Sawlogs	\$30 per MBF
Ponderosa Pine (8 inch +) Sawlogs	\$190 per MBF
Douglas-fir and Other Species Sawlogs	\$180 per MBF
Mixed Fir Species – tonwood (log diameters 4 to 5.5 inches)	\$15 per TON

The Sachri Logging Unit contains unestimated amounts of the following products that are not biddable items. Removal is optional. These include:

All Species—Pulp and Other Products	\$2.00 per TON
Blue-stained Pine – Sawlogs	\$10.00 per MBF

Bidders must also submit a fully signed copy of their Tribal Business license to expedite the award process. Bidders claiming Indian Preference must submit verification of TERO Indian Preference Logging Operator certification to be considered for Indian Preference.

PERIOD OF CONTRACT

The contract provides that all the timber designated for cutting will be hauled and scaled on or before September 15, 2012. All other contract obligations will be completed by October 31, 2012.

LOCATION

The contract area is located approximately one-half mile northeast of Plummer, Idaho. It is accessed by taking US Highway 95 to Plummer, Idaho, then turning east on State Route 5 towards St. Maries, and proceeding approximately one-half mile to 6th Street then one block north to B Street then 3 blocks east to where this street turns into Toetly Road. The native surface road entering the timber is located approximately 1.75 miles farther north on Toetly Road. It is approximately 35 miles south of Coeur d'Alene, Idaho. The entire area is located in Benewah County, Idaho. The following allotments are included:

Allotment 320: : portions of the northwest quarter of section 8, Township 46 North, Range 4 West, Boise Meridian, Benewah County, Idaho, containing 130 acres, more or less. 48 acres will be harvested.

Allotment 607: the northeast quarter of section 8, Township 46 North, Range 4 West, Boise Meridian, Benewah County, Idaho, containing 160 acres. 109 acres will be harvested.

Mileage to Area Wood Product Processing Facilities:

Bennett Lumber Products in Princeton, Idaho	29
Idaho Forest Group, Chilco, Idaho	49
Stimson Timber Company, Plummer, Idaho	1
Boise Cascade, Kettle Falls, Washington	161
Stimson Timber Company, St. Maries, Idaho	35
Clearwater Paper, Lewiston, Idaho	121

TIMBER CRUISE SUMMARY

The following cruise data for sawtimber is summarized from timber cruise data.

Total Net Volume Sawtimber:	552 MBF
Ponderosa Pine (6 to 7 inch) Sawlog Volume:	29 MBF
Ponderosa Pine (8 Inch +) Sawlog Volume:	329 MBF
Douglas-fir And Other Species Sawlog Volume:	194 MBF
Mixed Fir Species Tonwood (4-5.5 Inches Log Diameter)*	218 Tons
Total Estimated Defect And Breakage:	10 percent

*7.5 tons per MBF conversion factor will be used to convert tonnage from weight loads to MBF.

The cruise volume was estimated by measuring tree diameter at breast height to the nearest one-inch diameter class and using Forest Projection and Planning System software to calculate gross volume per tree. Defect and breakage were estimated to be 10 percent. Pulp and other wood products volume is not estimated.

Table 1: Averages by Species and Total Net MBF

	Ponderosa Pine	Douglas-fir and Other Species	Average or Total
Average DBH	15	12	13.2
Net BF per Log	41	30	36.2
% Defect	10	10	10
Trees to Cut	2,483	3,034	5,517
Net MBF	358	194	552

Table 2. Board foot volume by log diameter and species summary

Species	4 to 5	6 to 7	8 to 9	10 to 12	13 to 15	16 to 18	19 plus	Total	6"+ only
PP									
Volume	21,219	28,641	37,227	78,061	71,149	68,991	73,911	379,198	357,979
Percent	5.6	7.6	9.8	20.6	18.8	18.2	19.5	100	
DF&OS									
Volume	28,262	45,053	33,172	51,422	27,380	18,665	18,320	222,275	194,013
Percent	13	20	15	23	12	8	8	100	
Total	49,481	73,694	70,399	129,483	98,528	87,656	92,231	601,473	551,992

*Tons per MBF conversion factor is 7.5

Table 3. Estimated volume and minimum acceptable bid

Product	Estimated Volume	Minimum Bid
PP Sawlogs (6-7")	29 MBF	\$30 per MBF
PP Sawlogs (8"+)	329 MBF	\$190 per MBF
DF & OS Sawlogs	194 MBF	\$180 per MBF
Mixed Fir Species Tonwood	218TONS	\$15 per TON

TIMBER MARKING

Within the logging unit, trees are designated for *cutting* by paint marks at eye level and below stump height. All trees designated for *cutting* are to be *cut* and tested for merchantability. Trees are marked with the following colors of paint:

Blue: Allotment 320

Yellow: Allotment 607

Additional timber may be designated for cutting during the life of the contract. The purchaser will be required to cut and pay for any additional timber designated for cutting.

ROAD CONSTRUCTION AND MAINTENANCE

Existing roads can be used to access most of the contract area. Approximately one-half mile of road is overgrown and will need to be re-opened. Roads must be maintained while in use as directed by the Officer in Charge. Road work required of the purchaser is expected to consist primarily of maintaining satisfactory drainage on roads. Construction of cross ditches and removal of any stream crossing material that would impede runoff will be required prior to seasonal and final shut down of operations. If warranted, dust abatement measures will be required. At the completion of logging, necessary repairs to unsurfaced roads will be completed by the purchaser.

EROSION CONTROL

Following logging, or prior to periods of heavy runoff, waterbars will be required on skid trails exceeding 15 percent grade for distances of 100 feet or more and on roads exceeding 5 percent grade for a distance of 100 feet or more or as directed by the Officer in Charge. After final road maintenance, secondary haul roads, spur roads, landings, and exposed skid trails except those in farm fields shall be seeded with a native grass and fertilizer mix.

LOGGING RESTRICTIONS

The contract area frequently remains soft and muddy during winter and spring months. The season of operation may be restricted to July through October.

Operations may be suspended for such periods as the Officer in Charge may deem necessary to avoid excessive damage when ground conditions are unfavorable

No operation of skidding equipment will be allowed within delineated Riparian Management zones. Operation of skidding equipment within 25 feet of any intermittent stream must have prior approval of the Officer in Charge. All stream crossings must be designated and approved in advance in writing by the Officer in Charge. Rock, culverts, log corduroy, PVC pipe bundles, or a similar acceptable substitute will be required. Acceptable substitute requirements are:

1. Must be able to allow unimpeded runoff passage during storm events
2. Must maintain stream bank stability
3. Must maintain integrity of stream bottom

The purchaser may be charged \$500 for any unauthorized stream crossing.

Liquidated damages may be assessed for unauthorized stream crossings, soil damage from unauthorized skid trail and/or landing construction, and soil loss resulting from improper water bar installation. The amounts will be set at \$500.00 for each unauthorized stream crossing and at ten cents per square foot of soil damaged or lost by improper skid trail, landing, or water bar installation.

SCALING PROVISIONS

Scaling shall be by third party scaling service authorized to scale Indian logs (or by USDA Forest Service scalers at approved sites), except that waste material shall be scaled by Tribal Forestry. Third party scaling by the consuming mill may be authorized by the Approving Officer through approval of a Consumer Scale Authorization and Third Party Scaling Agreement with the consuming mill(s). If the Purchaser is the consuming mill, an Addendum to the Consumer Scale Authorization must be approved, requiring that an independent producer (logging sub-contractor) must cut and skid the timber to be scaled and that the basis for payment between the two parties will be based on scale.

The planned scaling frequency is 100 percent.

Logs that become blue-stained due to negligence on the part of the purchaser shall be considered green ponderosa pine sawlogs for payment purposes. Blue-stained sawlogs are defined as logs showing blue stain in both ends of the scaling cylinder and are a minimum of 8' 1" in length, and 5.51 inches in diameter.

SLASH AND CULL TREE DISPOSAL

Trees shall be limbed and topped prior to skidding and machine-piled in openings. Piles shall be covered with plastic sheeting at least 10 feet by 10 feet wide to allow subsequent burning by Tribal forestry. A payment is required from the purchaser in the amount of \$3,000 to cover Tribal pile burning costs. This Forest Project payment is due by the final cut-and-pay date, or within 30 days of final invoicing whichever is first.

Along roads, landings, and where machine piling is directed, slash and woody debris accumulated shall be grapple piled for biomass efforts or burning. Slash remaining from previous harvest operations or from insect, wind, or other damage shall be re-piled with current harvest slash. Landing slash shall be compactly piled, free of dirt, and no closer than 30 feet to live trees. Cull logs skidded into landings must be compactly decked and separated from slash.

All slash compliance must be complete prior to moving to the next allotment. The purchaser will not be responsible for burning of piles.

The purchaser shall obtain and furnish a copy of the Certificate of Slash Disposal Compliance from the Idaho Department of Lands, West St. Joe Forest Protection District, to the Coeur d'Alene Tribal Forestry Department before beginning operations.

UTILIZATION

Timber shall be cut to fully utilize the merchantable material and to yield the maximum stumpage value. Timber cut into lengths or products of lesser value shall be scaled as if cut to yield the maximum value of products covered by the contract. For instance, a 2 segment PP log will be split scaled if one segment is 6-7" and the other segment is 8 inches or more.

The purchaser shall ensure that all merchantable material that is designated to be cut is removed from the sale. All waste in improper long butts, tops, broken and partially sound logs, missed logs or trees, and trees designated for cutting that are not removed shall be scaled by Tribal Forestry and paid for by the purchaser.

NOXIOUS WEEDS

Skidding equipment shall be washed seasonally prior to move-in. Washing shall be sufficient to remove weed seeds from the equipment. The Officer in Charge additionally may require washing of skidding equipment prior to movement to a different location.

DEPOSIT WITH BID

A deposit with bid, in the amount of TEN THOUSAND DOLLARS AND NO CENTS (\$10,000.00) in the form of cashier's check, bank draft, Irrevocable Letter of Credit, or postal money order, payable to the Bureau of Indian Affairs, must accompany each sealed bid. The deposit of the apparent high bidder and of others who submit written requests to have their bids considered for acceptance will be retained pending acceptance or rejection of bids. Deposits of the unsuccessful bidders will be returned.

PAYMENT FOR TIMBER

The purchaser shall pay for timber in advance of cutting through advance payments and advance deposits in a form acceptable to the Approving Officer. Payments and deposits are due on the date specified in the written requests from the BIA.

ADVANCE PAYMENT

An advanced payment equal to 25% of the contract stumpage value is due within 30 days from the date of each subsidiary contract approval and before cutting begins. Advance payments shall be credited against the timber of each ownership in the sale as the timber is cut and scaled at the contract stumpage rates. Advance payments are not refundable.

ADVANCE DEPOSIT

The contract requires that timber will be paid for in advance of being cut. This shall be accomplished by maintaining an account of advanced deposits, which the Purchaser will pay into at regular intervals during the course of operations to maintain a minimum balance.

After the bid has been accepted by the Approving Officer, a required Log Plan meeting will be held with the Purchaser to determine the specifics of the planned harvest operation. The Advance Deposit will then be calculated by multiplying the average volume of the monthly production during the Purchaser's usual or average planned season of operations by the bid price for all sawlogs and products of the estimated volume. Refunds of surplus account balance shall be made to the purchaser upon closure of the sale.

PERFORMANCE BOND

A performance bond in the amount of \$17,000 shall be furnished by the Purchaser within 30 days of the acceptance of the bid, and shall be retained for the duration of the contract to ensure satisfactory performance by the Purchaser. The bond may be in the form of a cashier's check, Irrevocable Letter of Credit, or other form acceptable to the Approving Officer.

TRIBAL EMPLOYMENT RIGHTS ORDINANCE

Coeur d'Alene Tribal Forestry operates under an Indian preference labor ordinance. The Tribal Employment Rights Ordinance (TERO) requires that Indian subcontractors be given preference for hiring. Before bidding, prospective bidders should contact the following office to obtain full information regarding qualifications, availability and other requirements for Indian subcontractors to claim TERO preference. All bidders are required to obtain a Coeur d'Alene Tribal Business license prior to submitting a bid. Business licenses can be obtained from the TERO office indicated below. The purchaser and any subcontractors will be required to submit a TERO compliance plan to the TERO director for approval and a copy to Tribal Forestry prior to commencement of operations each season.

Coeur d'Alene Tribal Employment Rights Office (TERO)
P. O. Box 408, 850 A Street
Plummer, Idaho 83851
(208) 686-6107

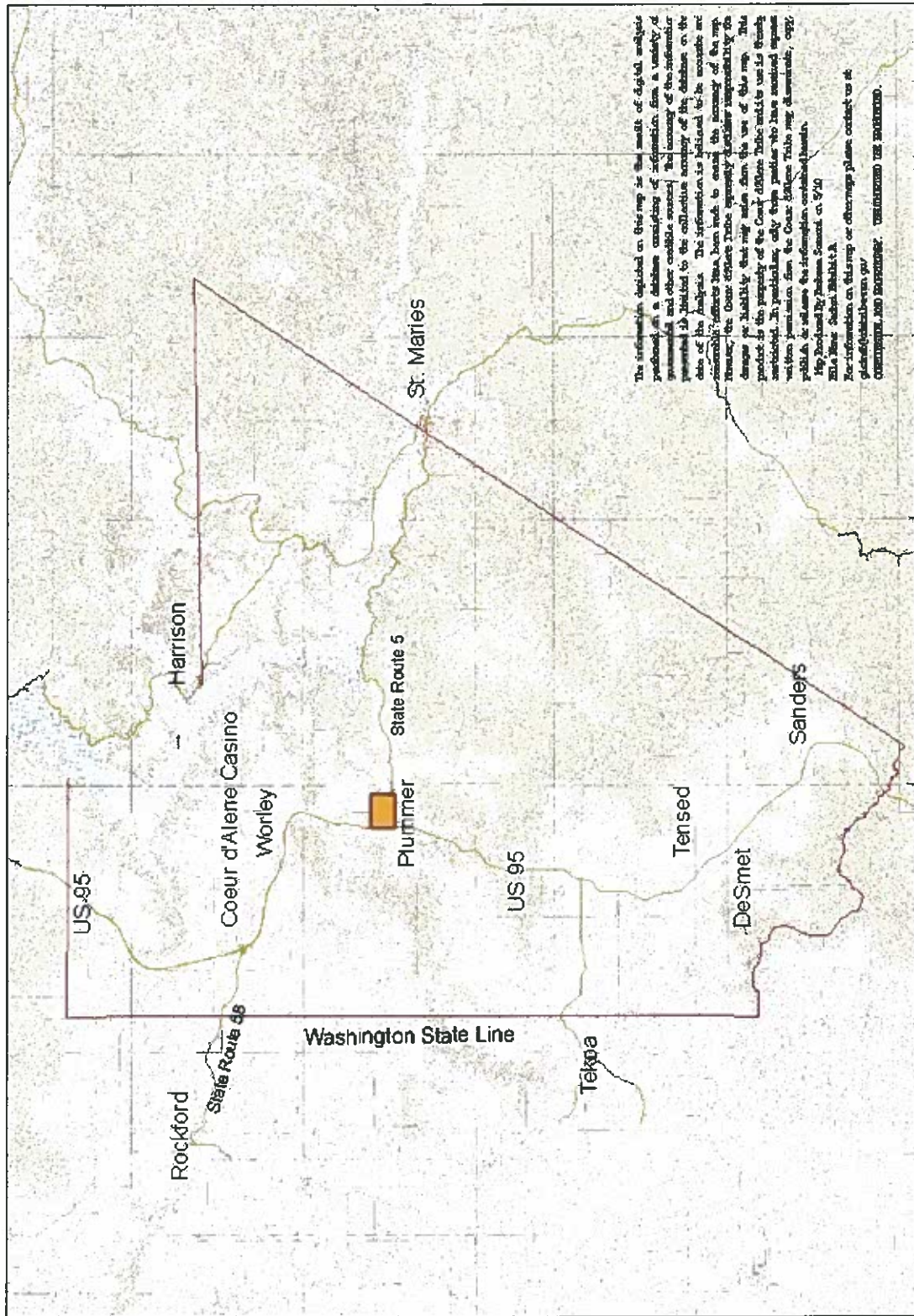
FINANCIAL STATEMENT

Before officially accepting the bid, the Coeur d'Alene Tribe may require a financial statement from a corporation, partnership, or individual who has not previously purchased timber on the Coeur d'Alene Reservation.

CONCLUSION

Additional information may be obtained from Kurt Mettler at the Coeur d'Alene Tribal Forestry Department, P.O. Box 408, Plummer, Idaho 83851 or by phone at (208) 686-1315 or Barbara Scaroni at (208) 686-2074. Prospectus, sample contract, and bid forms may be obtained by contacting the Forestry office or online from the Tribal website under natural resources/forestry at .

Vicinity Map --Sachri Logging Unit



1 inch = 5 miles
 0 11,000 22,000 44,000 Feet
 Map by bscwcm 4/10

— Coeur d'Alene Reservation Boundary
 ■ Sachri Logging Unit

The information depicted on this map is the result of digital analysis performed on a database consisting of information from a variety of governmental and other available sources. The accuracy of the information presented is limited to the collective accuracy of the database on the date of the analysis. The information is believed to be accurate and reliable, but no warranty is made by the Coeur d'Alene Tribe regarding its accuracy. The Coeur d'Alene Tribe expressly disclaims any liability for damages or liability that may arise from the use of this map. This notice is the property of the Coeur d'Alene Tribe and its use is strictly prohibited. In particular, only those parties who have received express written permission from the Coeur d'Alene Tribe may disseminate, copy, publish or otherwise use the information contained herein.
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 COEUR D'ALENE TRIBE RESERVATION

